

STATE OF WASHINGTON

OFFICE OF
INSURANCE COMMISSIONERBEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF WASHINGTON

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In the Matter of) No. D99 - 25

)

**R. S. Kitajo, and R. Scott
Kitajo Insurance Agency,
Inc., dba Covington Way
Insurance,**

)

STIPULATION
AND ORDER
LEVYING A
FINE

Licensee.

)

STIPULATION BY AGENT

R. S. Kitajo and R. Scott Kitajo Insurance Agency, Inc., ("licensees") hereby stipulate to the payment of a fine in the total amount of \$1,000 based on the following facts which are hereby acknowledged. Licensees further stipulate and agree that they will comply with Washington insurance laws and regulations in the future.

1. Return premiums received by the licensees from insurance companies were not paid to the insureds entitled to receive them. This violation occurred in at least the cases of P. Hainer; M&M Painting (3 cases); ACP, Inc.; Ultra Clean (2 cases); F. Eims; E. Sundvall; Widespread Painting; and Multi Media Kid. In each case, this violated RCW 48.17.480.
2. Return premiums received by the licensees from insurance companies were not deposited into the separate account required by RCW 48.17.600 and WAC 284-12-080. This happened in at least the cases cited in paragraph #1 above. In each case, this violated RCW 48.17.600 and WAC 284-12-080.
3. Licensees failed to maintain records and an appropriate accounting system for premiums and

return premiums, which failure violated WAC 284-12-080(8) and (9).

4. Licensees placed business with insurers that had not appointed it. The insurers included at least Contractors Bonding Insurance Company and Interstate Indemnity Company. In each case, this violated chapter 48.17 RCW and WAC 284-17-420, and in each case it amounted to a misrepresentation that licensees were authorized to act for that insurer, contrary to RCW 48.01.030, 48.30.040, and 48.30.210.

The licensees have engaged in practices that are not in accord with the standards set out in the insurance code of Washington. Accordingly, the licensees enter this Stipulation to the following Order voluntarily and with the understanding that such fine is in lieu of any suspension or revocation of the licensees' licenses for such conduct.

The facts described above, and the fact of this stipulation, may be considered by the Commissioner in any future administrative actions regarding licensees.

Signed this 3rd day of March, 1999.

R. S. Kitajo

R. SCOTT KITAJO INSURANCE AGENCY, INC.

dba COVINGTON WAY INSURANCE

By: _____

(signature)

Its: _____

(title)

ORDER

Pursuant to RCW 48.17.560 and the foregoing Stipulation, the Commissioner hereby imposes a fine in the amount of \$1,000 upon R. S. Kitajo and R. Scott Kitajo Insurance Agency, Inc..

The fine shall be paid in full within 30 days from the date of this Order. Upon failure to pay the fine, the Commissioner will revoke the licenses of the licensees and the fine will be recoverable in a civil action brought on behalf of the Commissioner by the Attorney General.

ENTERED AT LACEY, WASHINGTON, this 12th day of March, 1999.

DEBORAH SENN

Insurance Commissioner

By

WILLIAM E. FRANDSEN

Deputy Commissioner